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Agenda items 4 and 5

DRAFT REPORT OF SESSIONAL COMMITTEE II

Rapporteur: Mr. J.-L. Tordeur (Belgium)

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GE.91-50470/3011B

INTRODUCTION

(i) At its 782nd plenary meeting, on 11 March 1991, the Trade and Development Board decided to establish a sessional committee of the whole (Sessional Committee II) to consider and report on the following items:

United Nations Programme of Action for African Economic Recovery and Development 1986-1990: UNCTAD's intergovernmental input into the General Assembly's final review and appraisal of the implementation of the Programme of Action in 1991 (agenda item 4);

Review of progress in the implementation of the Programme of Action of the Second United Nations Conference on the Least Developed Countries - UNCTAD's contribution to the follow-up of the Programme of Action (agenda item 5).

(ii) At its 1st meeting and resumed 1st meeting on 11 and 12 March 1991, Sessional Committee II elected Mr. Ahmed A. Gubartalla (Sudan) as its Chairman and Mr. Jean-Louis Tordeur (Belgium) as its Vice-Chairman-cum-Rapporteur.

(iii) In the course of the second part of the thirty-seventh session of the Board, Sessional Committee II held ... plenary meetings.

Chapter I

UNITED NATIONS PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT 1986-1990: UNCTAD'S INTERGOVERNMENTAL INPUT INTO THE GENERAL ASSEMBLY'S FINAL REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF THE PROGRAMME OF ACTION IN 1991

(Agenda item 4)

1. For its consideration of agenda item 4, Sessional Committee II had before it the following documentation:

"UNCTAD's contribution to the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990: progress report by the Secretary-General of UNCTAD" (TD/B/1279);

"United Nations Programme of Action for African Economic Recovery and Development 1986-1990: UNCTAD's intergovernmental input into the General Assembly's final review and appraisal of the implementation of the Programme of Action in 1991: report by the Secretary-General of UNCTAD" (TD/B/1280 and Add.1 and Corr.1 (English only)).

2. The Director of the UNCTAD Task Force Unit on the UN-PAAERD, introducing the item, said that the UN-PAAERD consisted of a framework of mutually reinforcing actions by African countries and by the international community. African Governments assumed the principal responsibility for the region's future development and had undertaken to implement economic reforms and to improve their economic policies in the context of Africa's Priority Programme for Economic Recovery (APPER) 1986-1990. The international community had committed itself to supporting efforts of African countries in implementing the UN-PAAERD in a number of specified areas and to ensuring an external environment which would be supportive of efforts by African Governments and provide the additional resource support required.

3. With regard to the implementation of the UN-PAAERD, efforts had been made by both African Governments and the international community relating to the objectives of the Programme. Although the problems which had given rise to the international initiative establishing the UN-PAAERD had not been substantially reduced, a number of gains had nevertheless been achieved. The programme had mobilized both African Governments and the international community around a set of consistent policies aimed at alleviating the African situation, and it had initiated actions which had to be pursued vigorously in the light of the fragile progress made so far.

4. In particular, efforts needed to be intensified in designing structural adjustments in such a way that developmental aspects were not sacrificed in favour of shorter-term stabilization measures. The international community's efforts needed to be intensified in the areas of debt, commodities and financial flows. Another area which would need increased attention in future activities to assist African countries was regional co-operation.

5. UNCTAD's own contribution to the UN-PAAERD had continued to involve policy research and analysis, technical co-operation activities, and participation in inter-agency activities.

6. In conclusion, the concrete results of the implementation of the UN-PAAERD had been patchy, and the Board should reaffirm the need for special efforts from the international community to be pursued in accordance with paragraph 3 of the General Assembly resolution 45/178A.

7. The spokesman for the Group of 77 (Egypt) said that since 1986 African countries had implemented adjustment programmes, whether at their own initiative or in co-operation with multilateral financial institutions. These programmes had been pursued in spite of the high social costs associated with them, and the efforts made were beginning to yield some positive results in the areas concerned.

8. Adjustment programmes undertaken upon the advice of multilateral financial institutions had put more emphasis on macro-economic imbalances, while largely ignoring long-term structural problems. This had contributed to the adoption by the African countries in April 1989 of the "African Alternative Framework for Structural Adjustment Programmes" as a guideline for future action.

9. Though the UN-PAAERD had succeeded in bringing the problems of the region to the attention of the international community and world public opinion, this success was now at risk because of preoccupation with Eastern and Central Europe and the recent crisis in the Middle East.

10. The external environment had not been sufficiently supportive of African efforts. Africa's debt stock had risen exponentially, the prices of many commodities of interest to Africa continued to fluctuate in a declining direction, Africa's share of world trade had fallen, its terms of trade had deteriorated, foreign direct investment had dried up despite efforts undertaken by African countries to encourage it, and aid flows had been below the levels expected by African countries and promised by the donor community.

In addition, natural disasters and phenomena such as floods, drought and desertification had had adverse effects on the efforts of African countries.

11. African countries continued to accept that they had the primary responsibility for their own development and were still committed to pursuing their reform programmes while taking into account the long-term developmental objectives. The success of African efforts, however, would depend on improvements in the external environment and the intensification of international support.

12. Any assessment of the UN-PAAERD and follow-up action should cover the whole of developing Africa, and all statistics and information studies generated by UNCTAD, the World Bank and UNDP should correspond to this demand.

13. The four years that had elapsed since the beginning of the Programme represented a short time for any sustained progress to materialize, though the time was sufficient for laying down a framework. The present approach and existing mechanisms had proved not to be without use and the programme therefore needed to be extended for another five years and given additional momentum so as to fulfil the initial goals of the UN-PAAERD. In this regard, there was need for increased ODA and support for African countries from the multilateral financial institutions, as well as increased foreign direct investment, while taking into account long-term developmental concerns and the need to reduce the social costs of adjustment.

14. The extended UN-PAAERD should be readjusted to enable it to cope with changes that had taken place in Africa. UNCTAD's own contribution should include the continuation of needs appraisal missions which should cover all regions of developing Africa. The role of UNCTAD's Task Force Unit had been appreciated by African countries, and the work of this unit needed to be strengthened and continued. Moreover, the Group of 77 appreciated the positive role of UNCTAD's technical assistance unit for African countries in their preparations for multilateral trade negotiations. He concluded by saying that his Group hoped for an agreed outcome that would send a recommendation to the Ad hoc Committee of the Whole for extension of the programme for five more years.

15. The spokesperson for Group B (Norway) said that it was generally acknowledged that the African countries had the primary responsibility for the formulation and effective implementation of appropriate policies and priorities for their own growth and development. The UN-PAAERD had, indeed, been an African initiative - an expression of these countries' strong desire

to actively confront the challenges of African development. The Programme, therefore, had a high moral, psychological and political value for the region itself. It was also a call for, and a clear indication of several of these countries' need for, consistent support from the international community to be able to fulfil their objectives. The Programme's chief importance lay in the concept of mutual commitment and partnership between African developing countries and the international community.

16. Because the time span involved (four years) was too short for such a comprehensive and ambitious programme to show definite results, its success might be difficult to discern. The distinct value of the programme lay in the awareness of the need for stringent fiscal and economic measures to turn the tide towards a healthy development based on fiscal prudence and market-based principles. Fundamental socio-economic problems like those facing African countries could only be solved through long-term planning and efforts, sound economic policies and accountable institutions.

17. Africa's situation continued to be characterized by weak agricultural growth, a decline in industrial output, poor export performance, climbing debt and deteriorating social indicators, lack of institutional capacity and a worsening environmental situation. The Gulf crisis had raised uncertainty for African countries in terms of its effect on existing recessionary trends, endangering the progress which had been achieved during the period. This placed an extra responsibility on the world community not to let international attention be drawn away from the African continent.

18. In some African countries, scattered signs of recovery had occurred, which proved that adjustment measures, though burdensome, were indispensable. The positive results included moves towards more realistic exchange rates, interest rates and price systems, improvements in fiscal balances, trade liberalization, public management and increased emphasis on the role of the private sector and investment. In sub-Saharan Africa, where about two-thirds of the countries had begun to implement policies to effect structural adjustment of their economies, GDP had risen by 3.5 per cent in 1989, as against 2.5 per cent in 1988. However, with continued high rates of population growth, current GDP growth rates still produced little per capita income growth in most countries. Trends varied widely, but several countries in Eastern and Central Africa had achieved favourable economic performance after dismantling trade and other controls. Also, in response to adjustment efforts, SADCC countries had experienced recovery, particularly due to

appropriate policies in the agricultural sector. Internal war and continued insecurity impeded growth in several East African countries, and some Central African countries were severely hit by declines in coffee prices and food crop production.

19. African efforts were to be complemented by the international community in terms of increased resource flows, debt relief measures, and improved access to markets for products from Africa. Much of Africa's poor export performance was due to supply problems which needed to be resolved in Africa, but barriers to some of Africa's exports might in many cases constitute major disincentives to reform and diversification in Africa. Several proposals presented during the ongoing GATT negotiations could, however, have positive effects on African countries' trade.

20. Severely indebted low-income countries had benefited substantially from various debt initiatives by the donor community. Other new measures benefiting these countries were the World Bank's Special Programme of Assistance for debt-distressed African countries, and the IMF's Structural Adjustment Facility and Enhanced Structural Adjustment Facility. The debate in different international financing institutions, the recommendations made in the Craxi report and different proposals from individual countries were signs of the international community's continuous preoccupation with and commitment to finding solutions to the problems of low-income debt-distressed African countries.

21. The international community had made efforts to improve the situation, but more remained to be done. Resource flows (ODA) needed to be monitored and augmented where feasible. Improved recipient policies deserved support, especially in the context of higher levels of indebtedness and general economic uncertainty. African countries were now experiencing a very regrettable actual regression in health, education, transport and communication, but adjustment programmes were now being evolved by combining fiscal and monetary measures with steps to minimize the adverse social impact of adjustment.

22. Population growth continued to be high in most African countries, implying strains on social services, employment and the environment. Respect for human rights had to continue to get appropriate attention. Mobilization and development of human resources, as well as integration and participation of all groups, in particular women, in the development process, was of crucial

importance to ensure necessary support for and the basic ingredients in an increasingly self-reliant socio-economic development process in African countries.

23. Her Group particularly appreciated the work of the Secretary-General's Expert Group on African Commodities, which had drawn attention to the importance of increasing market access for products of interest to African countries.

24. Finally, in spite of its very short time frame, the UN-PAAERD had played a useful role in raising world consciousness about the problems of Africa. Her Group believed there was a need for continued commitment of international support and action for Africa.

25. The representative of China said that, in the process of implementing the UN-PAAERD over the past four years, many African countries had adopted wide-ranging measures to overcome difficulties and revamp their economies, including introducing restrictive policy measures, increasing revenues, making more effective use of resources, boosting production and invigorating the economy. These had been accompanied by trade liberalization and a general opening-up of the African economies. Although only a small number of African countries had registered success, adjustment policies had had some positive results in alleviating the economic hardships of the African countries and in promoting their recovery and development. During this period, the international community had also made some contribution in the form of increased ODA flows to African countries, though the drying-up of new export credits and the rise in debt-service payments had brought about a decline in real terms of official resource flows. The international community had also taken positive initiatives in favour of solving the foreign debt problem of African countries. These efforts had resulted in a marked increase of Africa's GDP during the implementation of the UN-PAAERD, as demonstrated by the rise in regional GDP at factor cost from 0.4 per cent in 1987 to 2.9 per cent in 1989. Although it had fallen short of removing the economic difficulties of the African countries, the Programme had made a positive impact on promoting the economic recovery of the African countries.

26. Overall, however, the African countries had experienced unabated deterioration in their socio-economic conditions throughout the 1980s, mainly due to external factors such as sluggish growth in the Western industrialized

countries, low and falling prices of commodities, high interest rates, mounting protectionist pressures and dwindling ODAs, coupled with internal factors such as policy mistakes in some African countries.

27. Her delegation believed that, upon the completion of the UN-PAAERD, and in addition to the further endeavours of African countries themselves, the international community still had a responsibility to continue its assistance to the African countries in their economic recovery and development. In addition to proposals advanced by the secretariat, further efforts should focus on financial resources, mobilization and efficient use of resources, the reduction or writing-off by creditor countries and multilateral financial institutions of the debt incurred by the African countries, and trade - particularly diversification; the international community must also improve market access conditions for African countries.

28. The representative of the Netherlands, speaking on behalf of the EEC and its member States, said that co-operation with Africa occupied a central position in the development activities of the Community. The Community's participation in the UN-PAAERD reflected its adhesion to the spirit and goals of the Programme, whereby donor countries recognized that their aid was essential for the success of the efforts of African countries, while the latter assumed their responsibility for development and policy reform. Such a relationship was a crucial step forward in the development dialogue and was in line with the type of contractually agreed mutual commitment which underlay the Lomé Convention.

29. The Community's participation in the UN-PAAERD was also based on its adhesion to the objectives of the Programme, in particular with respect to agricultural development and structural adjustment. The Community had provided extensive support in those areas, while pursuing a range of policies the need for which had been underlined by the UN-PAAERD, for example providing broad market access for African exports, developing human resources, protecting the environment, promoting regional co-operation, improving conditions for commodity production and trade, support for private enterprise development and investment, as well as improving the performance of public sector enterprises. Human rights had also occupied a central position in the Community-ACP dialogue.

30. As far as evaluating UN-PAAERD was concerned, the scale of the efforts of both African countries and donors and the seriousness of the problems faced meant that conclusions should be based on careful analysis. The efforts being

made must be seen in a long-term perspective, and short-term judgements should be avoided. The Community's efforts in co-operation with its African partners would go on, and it was hoped that their approach would be followed. The pursuit of the policies and reforms embarked upon by the African countries was essential for success. Finally, it was hoped that the kind of dynamic dialogue that had characterized relations between the Community and the ACP countries and in which co-operation instruments could be regularly improved and new policy concerns integrated could be developed among all those involved in the UN-PAAERD.

31. The representative of Israel said that the question of African development had long been one of great concern to his country, and a considerable proportion of his country's international technical co-operation programme concerned Africa.

32. Any consideration of Africa's problems had to give high priority to agriculture, and his country's experience in the development of agriculture was of relevance to Africa's present situation. At independence, Israel had been a food-deficit country, whereas today it was self-sufficient in agriculture and an important supplier of fresh produce to markets of the developed countries. Many aspects of Israel's success story were relevant to the needs of other developing countries, in particular innovative organizational structures, a stress on science and technology and its organic relationship with the field, and proper planning based on the requirements of the market.

33. With regard to the UN-PAAERD, the Programme's priorities included the development of agriculture and related sectors, but importance was also attached to issues such as the place of women in development. Regrettably, the overall situation in Africa had shown little improvement in the last five years, and the continent still faced a bleak situation, with infant mortality very high and life expectancy, in general, low.

34. UNCTAD's own contribution to the UN-PAAERD had been peripheral, and UNCTAD could either play a more useful co-ordinating role or devote its limited resources to other matters more clearly within its area of competence.

35. Since the special session in 1986, his country had been active in promoting diversified and market-oriented agriculture in some 10 African countries. His Government welcomed the new emphasis laid on the development of human resources, and his country's programmes always included an extension component. Emphasis was placed on the introduction of regenerative

agricultural systems, based on a much lower level of purchased inputs, and in some African countries his Government had been able to assist in the promotion of effective guided credit systems for small farmers.

36. The problems of subsistence agriculture remained a serious concern. Drought-resistant varieties of open pollinated sorghum and maize had been introduced by Israeli researchers, with promising results. His Government would shortly be introducing training and consultancy programmes dealing with the preservation and improvement of the agricultural ecology. These micro-level activities were an essential and basic part of the effort required to halt the degradation of Africa's agricultural production capacity.

37. The representative of Kenya said that Africa was today witnessing increasing emigration not only of skilled Africans but also of anyone who got the chance to flee the problems that had gripped Africa. Africa had, in real terms, contributed to growth and prosperity in other regions more than it had received in return, and the UN-PAAERD was an attempt to get Africa out of this situation.

38. It could not be denied that African countries had undertaken courageous reforms, including very painful structural adjustment measures. It was also true that Africa's development partners had adopted measures, even though these measures did not match the commitments undertaken.

39. His country had consistently undertaken a series of measures to improve the economic environment. The priority had been the provision of a stable political environment conducive to domestic as well as foreign business activity. The Government's pragmatic development strategy consisted of the following key elements: maintenance of realistic prices for agricultural produce, wage policies that contributed to price stability and encouraged employment creation, maintenance of interest rates that provided incentives to savers and promoted efficient allocation of credit to borrowers, flexible exchange rates, a liberalized trade régime and virtual elimination of price controls. Measures had also been taken aimed at increasing the participation of the public, especially women, in all levels of economic activity.

40. Through sound economic management, coupled with inflows of foreign capital, his country had managed to weather the difficult periods in the 1980s. The continuity in implementation of Kenys's development strategy and the efforts of the donor community to mobilize additional resources, including debt relief measures, had contributed to growth in the Kenyan economy averaging 5 per cent over the last five years.

41. The initial impact of the measures had, however, been mixed as was the case in other parts of Africa, and most of the positive results could be accounted for by good weather. Fiscal restraint had led to declines in essential social sectors, and it had also contributed to the depressed level of private investment, both domestic and foreign.

42. Important lessons had been learnt during the Programme period. First, initial efforts had concentrated too much on structural adjustment, especially if sponsored by the IMF/IBRD. Second, implementation of the Programme had been constrained by inadequate domestic and external resources. Domestic resources were limited by low commodity prices, the external resource flow had fallen short of expectations, and debt remained a major constraint for economic recovery. Efforts by national Governments had also stretched national administration capacities to extreme limits.

43. The Programme had made both the African countries and the international community realize that urgent and substantial efforts, and not piecemeal efforts, needed to be taken to arrest the decline and marginalization of Africa. Past approaches had allowed survival, but they had not generated development. It was therefore necessary to continue international efforts, taking into account Africa's long-term development needs.

44. The representative of Tunisia said that the current session of the Board offered a meaningful opportunity for the examination of what had been done over a period of four years in order to draw necessary conclusions for future activity. Thirty African States, sometimes on their own initiative, had undertaken structural adjustment programmes, despite the negative immediate political impact and high risk. Measures had included liberalization of external trade, deregulation of trade, privatization and rationalization of the civil service. However, the results were hardly encouraging, and only marginal, fragile progress had been made. Improvements in agriculture had been associated with climatic improvements, and on the whole the situation remained grave. A number of African countries had not been able to reconcile short-term macro-economic stabilization with long-term development and structural transformation.

45. In the wake of economically constraining programmes, it was appropriate to ask whether the sacrifice had been worthwhile and whether these programmes were properly designed for Africa. The obstacles encountered suggested that

an intensification of efforts was needed. He emphasized the need to pay full attention to the social sectors in designing structural adjustment programmes.

46. The African countries were committed to pursuing their reform efforts, and they expected the follow-up to UN-PAAERD to include refined approaches developed in the light of the experience acquired in implementing the UN-PAAERD 1986-1990.

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Addendum

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Chapter II

REVIEW OF PROGRESS IN THE IMPLEMENTATION OF THE PROGRAMME OF ACTION OF THE SECOND UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES - UNCTAD'S CONTRIBUTION TO THE FOLLOW-UP OF THE PROGRAMME OF ACTION

(Agenda item 5)

1. For its consideration of agenda item 5, Sessional Committee II had before it the following documentation:

"Review of progress in the implementation of the Programme of Action of the Second United Nations Conference on the Least Developed Countries - UNCTAD's contribution to the follow-up of the Programme of Action: note by the UNCTAD secretariat" (TD/B/1285);

"Declaration adopted by the first meeting of the Heads of State and Government of the Least Developed Countries (New York, 1 October 1990)" (TD/B/1286 - A/C.2/45/5).

2. In an introductory statement, the Deputy Secretary-General of UNCTAD said that the decision made by the Second United Nations Conference on Least Developed Countries to review annually, in the Trade and Development Board, progress in the implementation of the Programme of Action for the LDCs for the 1990s showed the importance attached to the regular follow-up of the Programme in UNCTAD. Referring to the decision of the General Assembly to strengthen the Special Programme of UNCTAD on the LDCs, he said that the additional resources thus provided would enable the secretariat to strengthen its analytical and support capacities, and notably to contribute to follow-up activities at the national level and extend its work into the new priority areas defined in the Programme of Action, such as developing human capacities and environment. The Secretary-General of UNCTAD had decided to upgrade the Special Programme within the secretariat in view of its increased responsibilities; the process of reorganizing and enhancing the Special Programme, presently under way, would be completed as quickly as possible. During the past few months, the secretariat had also initiated consultations with other organs and organizations of the United Nations system to examine the means of strengthening the links between various levels of follow-up in the implementation of the Programme of Action and to determine the modalities for inter-agency exchange of information and co-ordination. As regards UNCTAD VIII, although there was no specific item referring to LDCs on the

agenda, LDCs, which formed part of the developing countries, would benefit from general progress made at the Conference; moreover, it was expected that they would be given specific consideration in sectoral areas. The background documentation for the Conference would refer to the LDCs under the appropriate headings.

3. With regard to the current situation of the LDCs, the outlook for those countries was now worse than foreseen at the time of the Paris Conference due to the consequences of the crisis in the Persian Gulf. The attention of the international community, which already had before it the changes in Eastern Europe, the establishment of major trading blocks and the search for new forms of regional and global security and equity, would now also be turned to the need for reconstruction and economic recovery in the countries affected by the war. It was important to ensure that these efforts and concerns, necessary and legitimate in themselves, did not lead to a withdrawal of resources from the LDCs. In view of this situation, the Board should confirm the determination of member States to fulfil the commitments undertaken in the Programme of Action and underline the urgent nature thereof. As other unforeseen events might occur in the future, and given the overall vulnerability of the LDCs, new measures could become necessary in this context in order not to jeopardize the objectives set in the Programme.

4. The Chief of the Special Programme for Least Developed, Land-locked and Island Developing Countries said that the Second United Nations Conference on the Least Developed Countries had entrusted considerably increased responsibilities to UNCTAD in the follow-up to the Programme of Action adopted at the Conference and that the General Assembly, at its forty-fifth session, had decided that UNCTAD should continue to serve as the focal point for the review and appraisal of the implementation of the Programme of Action. The secretariat was making arrangements, including the use of questionnaires, to gather information, from both LDCs and donors about the policies and measures they were adopting in order to implement the Programme and meet the commitments they had undertaken, for a first substantive review, expected to take place at the 1992 spring session of the Board. It was also envisaged to change the format of future annual LDC reports to some extent, inter alia by selecting one or two special topics for more in-depth consideration each year.

5. He went on to review follow-up activities which the secretariat had already undertaken since the adoption of the Programme of Action, consultations with other agencies on the organization of the follow-up to the

Programme, and activities of operational and substantive interest which could be undertaken in this context. He also referred to the meeting of experts convened in January 1991 to discuss the criteria for identifying the least developed among the developing countries, noting that work on criteria and their application was continuing. Moreover, UNCTAD was developing various technical assistance projects and programmes for LDCs, including activities for helping LDCs implement the Programme of Action through economic and technical co-operation among developing countries.

6. He emphasized that the experience gained in monitoring the SNPA, the capacity which UNCTAD had built up in this area during the past decade, the modes of work adopted during the preparatory process leading up to the Second United Nations Conference on LDCs, the new resources provided to the secretariat and, above all, the strong political commitment expressed by the international community in the Paris Declaration and Programme of Action augured well for a similarly strong and substantive contribution from UNCTAD to the follow-up of the Programme of Action for the LDCs for the 1990s.

7. The spokesman for the Group of 77 (Bangladesh) said that the consideration of agenda item 5 constituted a watershed in the evolution of the role of UNCTAD in the review process which was crucial to the implementation of the Programme of Action throughout the decade. He noted that, despite the short time that had elapsed since the Second United Nations Conference on the LDCs, the UNCTAD secretariat had provided the Board with an advance copy of the Least Developed Countries Report 1990. The Report contained useful updated information on the situation of the LDCs and provided a very valuable assessment of policy orientations for sustained development in the LDCs. The Paris Conference and the General Assembly had entrusted UNCTAD with a significantly enhanced role and responsibilities in the context of the review, monitoring and follow-up of the Programme of Action, which, at the global level, would involve analysing experience with policy framework plans and country-level co-ordination arrangements, assessing the economic and social performance of LDCs, monitoring the implementation of commitments and measures, and reviewing the assistance of the LDCs' development partners. It had requested UNCTAD to provide support for the strengthened and expanded country review process and review at the regional levels, and it had also called for establishing the necessary links between follow-up at the national, regional and global levels. The Secretary-General of UNCTAD had been called upon to assist the Secretary-General of the United Nations in mobilizing all

bodies in the United Nations system for the implementation of the follow-up. UNCTAD had also been invited to assist LDCs in undertaking consultations among themselves on matters of common interest and to continue and where necessary expand technical assistance activities in the LDCs. He expressed appreciation to the Governments of Italy and the Netherlands for their contribution to UNCTAD's technical assistance activities and to the Government of Japan for organizing the Tokyo forum to be held in May 1991.

8. The social and economic situation of the LDCs as a whole had worsened during the 1980s. That extremely worrisome trend had continued during 1989-1990, as the overall economic growth of LDCs as a group had further slowed down, resulting in 1990 in a growth rate of 2.5 per cent, which was one percentage point lower than in 1988 and reflected negligible per capita growth rates. Several external factors had contributed to this situation, including global economic slowdown, financial instability, changes in Eastern Europe, the continued insufficiency of external support, and the uncertainties generated by the recent events in the Middle East. External shocks, which found in the LDCs their worst victims, called for urgent and decisive additional support measures by the international community to enable the LDCs to absorb the adverse impact thereof. He earnestly hoped that the current session of the Board would provide an opportunity to consider requesting the UNCTAD secretariat to undertake an in-depth examination of the consequences of the recent events in the Middle East, so that specific additional measures could be recommended to mitigate those consequences.

9. Pursuant to the provisions of the Programme of Action, the LDCs had already initiated policies and measures which were comprehensive in scope. New policy approaches were already in place or emerging in the LDCs which stressed reform and enhanced efficiency of the public sector, ensuring broader participation in the development process, taking due consideration of market signals, promoting private initiatives, linkage of poverty to environmental degradation, etc. The LDCs were effecting these fundamental changes, which were often painful and disruptive, under very adverse economic conditions, and particularly against the backdrop of a worsening external economic climate. Unless buttressed by sufficient support measures by their development partners, these extraordinary and painstaking efforts might come to naught. Development partners were therefore urged to redeem their pledge for timely and adequate external support in all areas, in particular ensuring substantial increases in ODA and immediate actions in the areas of external debt and trade.

10. General Assembly resolution 45/206 was to be welcomed, but the additional resources provided to the Special Programme were not sufficient to allow it to carry out its greatly enhanced mandate. He called for proposals for further resources to be included in the context of the programme budget for the next biennium. The Group of 77, following the adoption of resolution 45/206, had reiterated its position, as contained in the Arusha Declaration of 1979, regarding upgrading the Special Programme for LDCs, and he expressed deep appreciation to the Secretary-General of UNCTAD for his decision to upgrade the Special Programme. His Group was fully convinced that this upgrading would soon be fully and distinctly reflected in the structure of the UNCTAD secretariat.

11. In conclusion, he urged that the Board request the Secretary-General of UNCTAD to make an oral report to the eighth session of the Conference on the positive outcome of the Paris Conference, as well as on UNCTAD's efforts to implement its mandate under the Programme of Action.

12. The spokesman for Group B (Greece) said that the Second United Nations Conference on the Least Developed Countries, which had been hosted by France and had been welcomed by the international community as a major success, had confirmed the effectiveness of the preparatory process in which UNCTAD had played a central role. The Programme of Action adopted by the Conference was an international policy statement that was meant to guide the action of the international community during the 1990s. As stated by the Paris Declaration, the Programme of Action demonstrated a unanimous determination to promote an ambitious development policy, the success of which rested on the effectiveness of national policies, a favourable international climate and a strengthened partnership based on mutual commitments. The Governments of LDCs had the major responsibility for their development by defining and implementing appropriate policies, and their partners would support those policies and efforts. Group B was looking forward to the implementation of the results of the Conference on the basis of shared responsibility and strengthened partnership.

13. The Programme of Action emphasized the role of private entrepreneurship, efficient public enterprise, and integrated rural development as elements necessary for take-off in the LDCs' economies. It also stressed the need to develop human resources by making populations, both men and women, the actors and beneficiaries of development, by respecting human rights and social justice, and by applying effective population, health, education, training and

employment policies. Another important consideration was that all countries should, as stated in the Punta del Este Declaration, give special attention to the particular situation and problems of the LDCs and to the need for positive measures to facilitate expansion of their trading opportunities.

14. The present session of the Board formed part of the global follow-up to ensure the pragmatic, operational, adaptable and evolutionary process of the implementation of the Programme of Action. Recalling the mandate of UNCTAD in that regard, he said that, at the global level, UNCTAD, in co-operation with other concerned organizations, organs and agencies of the United Nations system, should continue to serve as the focal point for the review and appraisal of the implementation of the Programme of Action. Every effort must be made to ensure that the LDCs, which represented one-fourth of the countries of the world, be given every opportunity and the appropriate support to avoid the risk of marginalization. In that connection it must be emphasized that priorities vis-à-vis the LDCs would not be affected by the developments in Central and Eastern Europe.

15. With regard to the Declaration of the first meeting of Heads of State and Government of LDCs (TD/B/1286), the growing awareness on the part of the LDCs themselves of the need for profound policy reforms met with the satisfaction and full support of the Group B countries. Group B considered the link between socio-economic development and respect for human rights, as well as more even participation in decision-making in these countries, to be of paramount importance for the success of the Programme of Action.

16. The representative of the Netherlands, speaking on behalf of the European Economic Community and its member States, said that in adopting its final Declaration and the Programme of Action for the LDCs, the Paris Conference had given the LDCs reason to take up the challenge of the future with confidence. The Community and its member States pinned great hopes on this programme, which they would like to see as a true contract of solidarity; the mutual commitments by the LDCs and donors which formed the basis of this enhanced partnership must not remain at the level of intentions. For their part, the Community and its member States would fulfil the commitments made in Paris. The Community as a whole already allocated close to 0.13 per cent of its GDP to assistance for the LDCs, and it was foreseen, on the basis of efforts already made and announcements made in Paris, that this percentage would rise to over 0.15 per cent before the end of the decade. Some countries had already exceeded that target.

17. The Community and its member States attached great importance to following up the commitments made in the Programme. At the current session of the Board, they would like to see a discussion of the modalities for implementing the different mechanisms agreed upon in this regard in Paris, in order to define more clearly the practical arrangements for the follow-up. The mandate given by the General Assembly to UNCTAD in the follow-up process posed a number of questions, such as what type of discussions and conclusions should be aimed for in the annual global review to be undertaken by the Board, whether indicators of success should be developed, and whether and what kind of recommendations should be made in case of non-compliance with commitments made. The same questions also arose with regard to follow-up at the regional and national levels. He deemed it necessary to have an analytical framework for evaluating the coherence at the regional level of policies implemented by the LDCs, as well as their impact on regional integration efforts. At the global level, the follow-up should draw maximum advantage from the national-level follow-up, and general lessons could be drawn from the experience of countries in similar situations. Lastly, there was the question of how to take account of abrupt and unforeseen changes or shocks which would have a major impact on the implementation of the Programme of Action. It was in the spirit of the Programme of Action to raise such questions so that solutions could be sought jointly.

18. The representative of Bhutan expressed satisfaction with the successful outcome of the Paris Conference and the adoption of the Programme of Action for the LDCs for the 1990s. Unfortunately, however, the favourable international economic climate had suddenly been overshadowed by the crisis in the Persian Gulf. The impact of the Gulf crisis had undoubtedly had adverse effects on the economies of most of the developing countries, but because of their fragile economic base, the LDCs had been hit the hardest. The economy of Bhutan had been seriously affected by spiralling oil prices, the rising cost of imports and related inflationary pressure. Never before had the rate of inflation in Bhutan been so high. This clearly showed the vulnerability of the country's weak economy to adverse external shocks.

19. Bhutan was in the process of finalizing its seventh five-year Economic Development Plan for the period 1992-1997. Plans and programmes would be guided by a set of well-defined national policies and priorities. Rural development, increasing food production, development of human resources, conservation of the environment, mobilization of domestic resources, greater

people's participation in the decision-making process, diversification of the economy and promotion of the participation of women in the development process would form an integral part of the plan. Measures were being taken to broaden popular participation in the development process.

20. The Programme of Action for the LDCs for the 1990s designated UNCTAD as the focal point for the review and appraisal of the implementation of the Programme and its follow-up at the global level. With regard to UNCTAD's technical assistance, his delegation would like to see UNCTAD mobilizing adequate resources to expand this important activity. In this connection, he expressed gratitude to the Governments of Italy, Japan and the Netherlands for their contribution to UNCTAD's technical assistance activities. In view of its acute shortage of trained/qualified personnel, Bhutan attached great importance to technical assistance activities, and it called on other donor Governments to support such activities.

21. The representative of China said that the Second United Nations Conference on the Least Developed Countries had achieved positive results. The Programme of Action for the LDCs for the 1990s and the Paris Declaration adopted by the Conference were of great importance for the revitalization of the economies of these countries; they reflected the political will of the international community to help the economic development of the LDCs and contained measures to be taken to that end.

22. Her country supported the recommendations in the Programme of Action concerning its implementation, in particular with regard to the fact that the Secretary-General of the United Nations should closely co-operate with the Director-General for Development and International Economic Co-operation, the Secretary-General of UNCTAD, the executive secretaries of the regional commissions and the lead agencies for the aid groups to ensure the full mobilization and co-ordination of all organs and bodies of the United Nations system at the secretariat level. She agreed with the recommendation that UNCTAD's Special Programme should be provided with sufficient capacities and resources for the effective and timely implementation of its mandate, and UNCTAD should make a substantive input to the implementation of the Programme of Action and play an active role of co-ordination. She recalled the key role of UNCTAD in the implementation of the Substantial New Programme of Action for the LDCs for the 1980s and welcomed its many efforts in the context of the implementation of the Programme of Action for the 1990s.

23. The LDCs must undoubtedly make a tremendous effort in the implementation of the Programme of Action. However, other members of the international community should also take specific actions to honour their commitments as contained in the Programme of Action. They bore the responsibility for creating a favourable international economic environment for the LDCs and for increasing assistance so as to make a positive contribution to the improvement of the economic situation in the LDCs. The implementation of the Programme should be subject to serious regular review, in accordance with General Assembly resolution 45/206.

24. China was a developing country, and strengthening solidarity and co-operation with the third world countries was a fundamental element of its foreign policy. China would therefore continue, within its capabilities, to expand the scope and forms of its economic co-operation with the LDCs by way of its contribution to helping the LDCs to eliminate poverty at an early date.

25. The representative of Saudi Arabia, responding to the fact that in a number of statements reference had been made to the adverse effects of increasing oil prices on the economies of the LDCs, said that the increase in oil prices at the start of the Gulf crisis had been due to imaginary and fictitious concerns caused by the panic which had characterized oil markets during that period. The fact that oil prices had declined, notably since the outbreak of hostilities in the Gulf, proved that analysis.

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DRAFT REPORT OF SESSIONAL COMMITTEE II

Rapporteur: Mr. J.-L. Tordeur (Belgium)

Addendum

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Chapter I

UNITED NATIONS PROGRAMME OF ACTION FOR AFRICAN ECONOMIC RECOVERY AND DEVELOPMENT 1986-1990: UNCTAD'S INTERGOVERNMENTAL INPUT INTO THE GENERAL ASSEMBLY'S FINAL REVIEW AND APPRAISAL OF THE IMPLEMENTATION OF THE PROGRAMME OF ACTION IN 1991

(Agenda item 4)

(continued)

1. The representative of Sudan said that the UN-PAAERD concerned all vital sectors in the African economy and indicated a variety of propositions for Africa's economic recovery and development. African countries had accepted the primary responsibility for their own development and had undertaken structural adjustment programmes in spite of the risks involved. Secretariat document TD/B/1280 clearly indicated the reasons for the disappointing results achieved as a result of the implementation of the UN-PAAERD; to the reasons given (particularly in para.56) should be added drought and desertification, as well as other natural disasters.

2. His country had pursued adjustment programmes in spite of the difficulties involved. The programmes had been developed by taking into account the views of scientists, the private sector, and trade unions. Government spending had been reduced and efforts were being made to improve food security. The Government was endeavouring to increase production and self reliance, as well as paying more attention to popular participation in the promotion of development and growth.

3. UNCTAD's role in the implementation of the UN-PAAERD was vital, and his delegation appealed to the international community to support UNCTAD in its efforts to meet the numerous needs of African countries in terms of technical assistance activities. The international community needed to step up its bilateral and multilateral assistance in the areas of debt, resource flows, market access and the general functioning of the world economy. His country attached great importance to the continuation of the programme and called for a clear signal from the Board to that effect.

4. The representative of the Organization of African Unity (OAU) said that OAU agreed with the UNCTAD secretariat's analysis of the UN-PAAERD. African countries had made enormous efforts to try to overcome their economic difficulties, and most of them had undertaken costly structural adjustment programmes. However, few positive results had so far been achieved, and the

international community had not provided the promised assistance. Further efforts would therefore have to be made, with the support of the international community.

5. OAU had taken a number of initiatives to enhance economic integration in Africa, and in fact the treaty establishing the African Economic Community was expected to be signed later in the year. The creation of the Community represented the expression of the collective will of African States to lay the foundations for self-reliant and lasting development. Africa was thus entering a new phase of social and economic development, and it was hoped that the international community would provide its support.

6. The representative of Egypt said that four years was a short time for a programme such as UN-PAAERD to have a significant impact, since in the past the continent had not received adequate attention. The positive results that had been recorded were largely due to national efforts of African countries and favourable climatic conditions. African countries had carried out reform programmes at a high social cost, including encouragement of the private sector and foreign investment, but the results so far had not been encouraging.

7. A number of economic indicators in Africa were becoming worse. Debt was mounting due to the insufficient and non-comprehensive nature of international debt relief measures, as well as rising interest rates, while commodity markets were marked by downward fluctuation of prices and uncertainty. Future efforts should be based on the principle of full participation of the African countries and the international community, with primary responsibility lying with the African countries. Urgent action was required to alleviate the debt burden, and what was needed was a long-term, comprehensive approach to the debt problem. Official development assistance needed to be increased, and FDI needed to be encouraged by developed countries, alongside intensification of international efforts to assist African countries in pursuing structural adjustment programmes, which should deal not only with macro-economic issues but also with long-term structural problems, reduce the social burden and take development objectives into account. The international community should provide environmentally sound technologies on preferential and non-commercial terms, as well as advanced technology and know-how, and technical assistance needed to be enhanced.

8. The results of the Uruguay Round would be extremely important for Africa, and the agreements emanating from the current negotiations should not deny African countries the right to develop and protect the services sector or to have access to technology. There was also a need for a more comprehensive compensatory financing mechanism to offset falling export earnings.

9. His delegation endorsed the call by the Group of 77 for a five-year extension of the Programme to provide a chance for the full realization of its objectives, while taking into account changes that had taken place in Africa in the late 1980s and beginning of the 1990s. The international community had to shoulder its responsibility, and Africa must not be neglected in favour of other new concerns.

10. Any assessment of the UN-PAAERD and related studies, statistics and information by all international fora and organizations should cover the whole of developing Africa. UNCTAD's contribution to the UN-PAAERD in the areas of policy research and analysis, as well as technical assistance activities, was welcome. In that connection, future needs appraisal missions to Africa should cover all developing regions of the continent.

11. The representative of Algeria said that the African countries had opted for a courageous development programme reflecting their desire to assume responsibility for their development and growth, but despite the efforts made and costs incurred, the economic situation of Africa continued to cause concern. The main problems facing Africa were the growth in external debt, the drop in commodity prices, the deterioration in the terms of trade, the difficulties of structural adjustment and the unfavourable external environment.

12. The implementation of the UN-PAAERD had been delayed as a result of the international community's failure to honour its commitments. It must be recognized that the African countries had made considerable efforts, well before the adoption of the UN-PAAERD, to end their economies' vulnerability. However, that ambitious goal had not been attained because of the complexity of the task and because Africa did not have the necessary means. The international community must therefore show its solidarity with Africa, and the UN-PAAERD represented a positive step in the expression of international solidarity with a continent whose real needs had not been matched by the efforts made by the international community so far. The modest results of the UN-PAAERD must not be an excuse for inaction. Despite the very short time of

its implementation, there was a crucial need to pursue efforts for recovery in the African economies with fervour and determination to help the continent escape from the dead-end facing its development prospects. Solidarity was in the interests of all mankind.

13. The representative of Ghana said that his country's commitment to implementation of structural adjustment programmes predated UN-PAAERD. The first phase of Ghana's economic recovery programme had been launched in 1983, and the turnaround in the country's economy over the period 1983-1984 to 1989 had been remarkable, with average growth rates of 5 per cent per annum. His country appreciated the assistance and encouragement from the international community which had made this possible. The programme had had major social costs, however, especially in the areas of education, health, nutrition and unemployment. A programme addressing itself specifically to mitigating the social costs of the adjustment programme had been designed, also with the assistance of the international community.

14. To assist in mitigating these negative effects, UNCTAD's technical assistance programmes in the field of human resources development should be expanded and strengthened. UNCTAD's role under the UN-PAAERD should transcend just monitoring and assessing the implementation of the programme. UNCTAD should be given the requisite resources to play a catalytic role, commensurate with its mandate in the field of trade and development.

15. With regard to the role of commodities in overall economic performance, Ghana derived over 60 per cent of all its export earnings from cocoa beans, and the drop in the growth rate to 2 per cent in 1990 was due to a fall in cocoa prices to their lowest level in 20 years. There was a need, therefore, to address the structural deformity of the African economies in the context of diversification programmes.

16. Diversification programmes called for improved availability of financial resources. While existing arrangements under the STABEX for compensating ACP countries were welcome, they needed to be augmented and expanded in coverage. However, the existing arrangements were inadequate and were ultimately debt-creating, as were other forms of ODA. His delegation believed that foreign direct investment had the potential to play a major role in the economic transformation in Africa, especially through its interaction with the development of the private sector.

17. Finally, his delegation called for continuation of the UN-PAAERD for at least another five-year period, accompanied by renewed commitment from the international community. In spite of the mixed results of the Programme, given the necessary support positive results and progress could be achieved towards the creation of strong, self-sustaining economies in Africa.

18. The representative of Senegal said that the beginning of the 1980s had seen Africa in an economically difficult situation as a result of, inter alia, drought, debt, declining resources, unemployment and war. African Heads of State and Government had responded by adopting the APPER, the major priorities of which included agriculture, agricultural support sectors, training and environmental conservation. The problems facing African countries had been identified as including colonialism and the negative impact of apartheid on some countries. He welcomed the fact that Namibia had since become independent and that positive developments were taking place in South Africa. Development had to be based on dialogue, self-reliance, the rule of law, freedom of thought, democracy and human rights.

19. The UN-PAAERD was based on an international consensus and an authentic partnership. Africans had made considerable efforts to implement economic reforms and structural adjustment, but prices of commodities had dropped, the terms of trade had deteriorated, debt had mounted and capital flows from abroad had diminished. The contribution of the international financial institutions and other organizations to the UN-PAAERD would have to be assessed in that connection.

20. The 1980s had been a decade of stagnation, and a continued dialogue with the donor community was essential. Among other things, resources would have to be mobilized, commodity prices stabilized and investment encouraged, and regional integration would have to play an important role.

21. For its part, the UN-PAAERD must be pursued to allow African economies to proceed with structural adjustment and better withstand external shocks. Partnership was essential, and the UN-PAAERD should be seen not as a mere list of countries' needs but as the expression of a collective desire to participate in the construction of a new world order.

22. The representative of Ethiopia said that the APPER had signified the will and determination of African countries to tackle their problems by themselves. Food production and agricultural rehabilitation had been the main priority, and African countries had pledged themselves to allocating 25 per cent of their budgetary resources to those sectors. The international

community for its part had pledged itself to supporting fully African efforts, as expressed in the UN-PAAERD. However, the commitments had not been realized, and the situation was now worse than it had been five years before. African countries had spared no effort in trying to implement the twin programmes to bring about recovery and development. African countries had introduced policy reforms, including difficult structural adjustment programmes, to make their economies more efficient and flexible. For example, in Ethiopia fundamental changes had been introduced in order to provide a framework for the efficient functioning of both the public and the private sectors, as well as foreign enterprises. The response of the international community had been mixed, but overall it had been below expectations. His delegation appreciated the efforts made by some members of the donor community and was concerned by the lack of will of many of Africa's development partners.

23. The representative of Nigeria said that the 1980s had been a decade of massive retrogression for Africa. African countries had suffered major deficits, and African debt and debt-service ratios had soared. Per capita output had fallen, while the number of African LDCs had increased from 17 in the 1970s to 28.

24. His delegation recognized that the primary responsibility for the development of the African countries lay with the African Governments and people. It was in that light that OAU had adopted the APPER in 1985, and most African countries had adopted appropriate policies aimed at implementing their commitments under the programme, although the unfavourable international environment remained the major obstacle.

25. A significant achievement of the UN-PAAERD had been to draw the attention of the world community to the acute economic problems facing the African region. The international community, however, had not lived up to its commitments on UN-PAAERD; resource flows were below the expected levels, FDI was almost nil, and commercial bank lending was equally non-existent. His delegation expressed the hope that Africa would not be neglected, as most of the attention of the developed countries was now directed towards transforming East European countries.

26. A revitalized Africa would continue to provide large markets for the developed countries' exports. However, one of the most important obstacles in the way of recovery was the debt problem, and concerted international action was needed. Commodities continued to play a critical role in the economies of

many African countries, and the international community must assist Africa's diversification, processing and marketing activities. Improved market access for processed and semi-processed African exports would facilitate such efforts.

27. The four years that the programme had existed was too short a period for the realization of the goals of the UN-PAAERD. His delegation therefore supported the call by the Group of 77 for a five-year extension of the programme to enable the existing mechanisms to yield positive results and to enable the international community to meet its obligations under the programme. His delegation also supported the continuation of the existing mechanisms within UNCTAD to assist the African countries.

28. The representative of Sweden, speaking on behalf of the Nordic countries, assured the Committee of the Nordic countries' commitment to continued support for African countries in their endeavours to embark upon sound and sustainable development. The Nordic countries had taken the UN-PAAERD very seriously when the Programme had been adopted by the General Assembly in June 1986. The bulk of Nordic development assistance was allocated to sub-Saharan Africa, and sub-Saharan Africa would continue to have high priority in future allocations of ODA flows from the Nordic countries.

29. The importance of UN-PAAERD lay in two aspects: the increased awareness on the part of African countries of the need to accept primary responsibility for their economic development and launch stringent and far-reaching economic reform programmes based on market economy principles; and the partnership with the international community in implementing these often harsh reform programmes.

30. The conclusion reached by the Nordic countries was that many countries were on the right track towards sounder economic development but that the major work still lay ahead, since the situation in most sub-Saharan countries remained critical. This called for urgent action by the African countries themselves and the international donor community, which had committed itself to providing sufficient resources for the Programme of Action. In this context, the Nordic countries wished to underline the importance of burden sharing.

31. The need for fiscal restraint did not have to lead to neglect of the social sectors. The international financial institutions were increasingly aware of the need to provide budgetary resources for the social sectors to ease structural-adjustment-related hardships.

32. Finally, the Nordic countries would be happy with an outcome in the General Assembly that strengthened the partnership with African countries, and they would continue to assist Africa in achieving sound and sustainable development.

33. The representative of Switzerland asked whether UNCTAD participated in NATCAPS and, if it did, what its assessment of NATCAPS was.

34. The Chief of the Joint Technical Co-operation Unit said that UNCTAD had not yet participated in NATCAPS, and it could not, therefore, make an assessment. However, any exercise that made technical co-operation more effective was worthwhile. Efforts were also being made to link NATCAPS to other activities, and UNCTAD was encouraging UNDP to give importance to areas related to the external sector.

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DRAFT REPORT OF SESSIONAL COMMITTEE II

Rapporteur: Mr. J.-L. Tordeur (Belgium)

Addendum

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Chapter II

REVIEW OF PROGRESS IN THE IMPLEMENTATION OF THE PROGRAMME OF ACTION OF THE SECOND UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES - UNCTAD'S CONTRIBUTION TO THE FOLLOW-UP OF THE PROGRAMME OF ACTION

(Agenda item 5)

(continued)

1. The representative of Somalia said that the dictatorial régime of General Siyad Barre had been ousted through a popular uprising spearheaded by opposition groups. During the few weeks preceding this long-awaited collapse, General Siyad Barre's army which had enabled him to brutally repress the Somali people for the last two decades, had indiscriminately shelled the capital city and looted substantial private and public property. Regrettably, those barbarous acts had resulted in the death of tens of thousands of defenceless civilians and the displacement of over one million people. Against the background of this tragic situation, men of courage and vision had come forward to establish an interim Government pending free multi-party elections. The new administration had, as a matter of urgency, embarked upon restoring peace and order. Furthermore, the Government had already declared a general strategy of rebuilding a new republic based on national unity, social justice, respect for human rights and political pluralism. In this regard, Somalia looked forward to the understanding and support of the international community at a time when Somalia was undergoing a crucial transition from tyranny to democracy.

2. The representative of Ethiopia expressed deep concern over the continued deterioriation in the economic and social conditions in the least developed countries, despite the efforts deployed at the national and international levels to redress the situation as envisaged in the Substantial New Programme of Action for the LDCs in the 1980s, which had been a lost decade for the LDCs. The main lesson from the experience of the 1980s was that more vigorous efforts had to be exerted not only at the national but also at the international level in order to arrest the worsening of economic and social conditions and eventually lay the foundation for sound development in the LDCs. Ethiopia therefore attached great importance to the Paris Declaration, as well as the United Nations Programme of Action for the LDCs for the 1990s, the success of which would depend on their timely implementation. He emphasized that, as the focal point for the follow-up of the implementation of the Programme, UNCTAD would play an active role of crucial importance.

Hence, it had to be adequately strengthened and embark upon the follow-up activity as early as possible. He was confident that UNCTAD would fully discharge its responsibilities in the crucial phase of the implementation of the Programme. Finally, he expressed his appreciation for UNCTAD's efforts in the preparation for and conduct of the Second United Nations Conference on the LDCs.

3. The representative of Myanmar said his delegation was pleased to note that, despite the short span of time since the Conference and the adoption of the Programme of Action, the UNCTAD secretariat had managed to undertake a number of measures in fulfilment of its global monitoring role. He also noted that steps were being taken to expand technical assistance activities and that a number of projects were in the pipeline. This showed the desire and determination of UNCTAD to fulfil the enhanced role in the context of the review, monitoring and follow-up of the Programme of Action that had been entrusted to it by the Paris Conference and the General Assembly at its forty-fifth session. He welcomed the announcement by the UNCTAD secretariat that the Special Programme for the LDCs would be upgraded.

4. Those steps and initiatives taken by UNCTAD constituted measures that would hasten the transition from the SNPA and would set in motion the Programme of Action for the LDCs for the 1990s. The need to start the implementation of the Programme of Action was indeed very urgent. The social and economic situation of the LDCs as a whole had worsened during the 1980s, despite national and international efforts on their behalf, and it was a cause of concern that this trend had continued during 1989-1990. What was really worrisome was the pessimistic view shared by many with regard to the LDCs' socio-economic prospects in the coming years. It was only with timely and adequate external support that the LDCs would have a chance of overcoming their situation and improving their chance of success in their efforts to initiate comprehensive policies and measures in pursuit of the provisions of the Programme of Action.

5. The representative of Finland, speaking on behalf of the Nordic countries, said that the Nordic countries had welcomed the adoption of the Programme of Action and that, from the point of view of UNCTAD, the follow-up of the Programme was of particular importance. The Nordic countries welcomed especially the new ideas contained in the Programme which underlined the importance in the development process of broad participatory development, including the increased integration of women in economic, political and social

life, and respect for human rights. As regards the implementation of the Programme, the Nordic countries foresaw an important role for UNDP and the World Bank at the national level. It was of vital importance that the UNCTAD secretariat involve relevant United Nations organizations and bodies in the follow-up process. It would be useful to have information about the co-operation arrangements envisaged in this respect by the secretariat and also about its plans for reviewing the implementation of the Programme in terms of the new qualitative aspects he had mentioned. The follow-up mechanism for the Programme rested very much on the shoulders of the UNCTAD secretariat, and the decision of the Secretary-General of UNCTAD to upgrade the Special Programme for LDCs was to be welcomed. The planned consultations among the LDCs themselves was also an important part of the follow-up process.

6. The representative of Nepal noted with satisfaction the statements made by the representatives of the UNCTAD secretariat outlining the future steps for implementation of the Programme of Action and, in this connection, welcomed the decision of the Secretary-General of UNCTAD to upgrade the UNCTAD Special Programme for Least Developed Countries.

7. A process of democratization had recently taken place in his country. A new constitution had been promulgated and an election based on the multi-party system would be held in May 1991. Nepal would continue, throughout the 1990s, to concentrate on an important development strategy, namely poverty alleviation. Special emphasis would be laid on restoring trade balances, control of population growth, the protection of the environment, the fostering of complementary relationships between the government and the private sector, the integration of non-governmental organizations in the development process and the promotion of indigenous skills, supplemented by measures of mobilization of domestic resources. However, in order to implement these plans and programmes, the newly established Government would no doubt need increased external aid and other international support, which he hoped would be forthcoming during this decade within the framework of the Programme of Action.

8. The representative of the World Health Organization (WHO) said that the LDCs and their peoples represented one of the organization's main concerns and that it was accordingly orienting its policy and concentrating its efforts so as to optimize the utilization of its resources in favour of the LDCs. A country-specific initiative had thus been launched whereby all WHO programmes were to be co-ordinated both at central and regional levels in order to

intensify technical and financial co-operation with these countries. A special forum on health had been organized by WHO with UNCTAD on the occasion of the Paris Conference. In implementation of the resultant Programme of Action, the WHO Executive Board had in January 1991 adopted a resolution on "Health promotion for the development of the LDCs" which called for the continuation and intensification of the organization's efforts to provide support for the strengthening and development of health systems and identifying resources and new approaches to health in the current social and economic context. The WHO initiative had permitted the development of a new kind of international partnership, based on country-oriented strategies and improved co-ordination. A number of countries and United Nations organizations had already become involved in this approach aimed at overcoming obstacles to the effective implementation of primary health care. Three observations could be drawn from a first evaluation of this integrated approach. Firstly, close links were developed between social and economic sectors and between health and macro-economic policy, and co-operation was fostered between national authorities in these various fields. Secondly, joint programming and partnership in various consultation mechanisms served to mobilize the technical and financial means needed to implement operational plans of action. Finally, a coherent, long-term approach was required for integrated technical and financial co-operation, within which WHO accorded particular importance to the economic management of the health sector.

9. The representative of the United Nations Development Programme (UNDP) said that, following the Second United Nations Conference on LDCs and in the light of the UNDP Governing Council's decision of June 1990 to allocate to the LDCs 55 per cent of the indicative planning figure (IPF) resources during the fifth programming cycle (1992-1996), a ten-point multi-faceted approach had been adopted. This approach included the following elements: bringing the priorities of the Programme of Action to the attention of the LDC Governments in the course of discussions on the preparations for the next country programme, defining a funding strategy for UNCDF to reach 20 per cent annual growth, assisting LDC Governments in preparing technical co-operation assessment needs and programmes, establishing strategies and programmes for the development of the private sector, defining strategies for the full participation of women in the development process, encouraging LDC Governments to involve non-governmental organizations through their specific role in formulating and implementing programmes and projects geared to promoting

grass-roots activities in LDCs, preparing strategies for human resources development, strengthening LDCs' capacity for adequate socio-economic management with emphasis on the long-term perspective for development as well as on capacity for effective aid co-ordination, calling LDC Governments' attention to the Programme of Action and its follow-up and monitoring mechanism and proposing a calendar for the preparation of a round table to be held within the next 12 months, and strengthening the substantive capacity of UNDP field offices to backstop the round table process, with particular emphasis on economic management activities. In this connection, a workshop on round table issues and procedures would be held in Geneva from 1 to 3 May 1991. The results of this workshop were expected to be useful in determining UNDP's response to the call made in the Programme of Action for the round table process to become more systematic and better organized. In conclusion, he reiterated the commitment that UNDP had made to ensure the successful implementation of the Programme of Action for the LDCs in the coming decade.